

231620

August 17, 2011

**COPY**

Duke Energy South Carolina  
325 W. McBee Ave.  
Greenville, SC 29601

To Whom It May Concern:

I read your recent brochure justifying the need for Duke Energy to increase electric rates to be effective February 2012. The first item that caught my attention was the conspicuous location of Duke Energy's mailing and email addresses; however, I could not find the Public Service Commission of South Carolina contact information anywhere on your literature. I do intend to investigate and hope to forward this to the above agency.

It is my understanding that the proposed rate increase is to recoup capital improvements to various plants and infrastructure of Duke that presumably serves South Carolina. And the cost to residential customers will increase by an average of 17%. My family and I live at 317 Matchlock Common in Spartanburg, SC. This summer, one of the hottest summers on record, our street lost power on three separate occasions. I would very much like to know how these improvements benefitted my family. Maybe Duke Energy should invest in underground lines thus reducing power outages caused by storms and trees, and reducing the cost of emergency work on above ground wires to restore power. I will not mention the number times we've lost power during ice and snow storms.

I would also like for Duke Energy to consider creating a credit for our family to offset the proposed 17% rate increase. By my calculation we've thrown away approximately \$2,250 worth of refrigerated food because of power outages over the last five – six years (18 power outages X \$125 per throw out). This is probably low but I feel generous today. Please add another \$600 for hotel stays, \$400 for being forced to dine out, and another \$695 for the generator I eventually felt obligated to purchase (for the well being of my family – and my marriage). I will not charge for the emotion scaring of calling and being told the power will be on by a certain time only to see the power still out hours, if not days, after the announced time of restored power. So, a total credit of \$3,945 is in order. Assuming my average bill is \$160 per month an annualized billing would be \$1,920. A 17% increase would amount to \$326.40 per year. Therefore my credit, again deemed to be on the low side, should last a little over 12 years. After twelve years I would be more than happy to pay your 17% increase – assuming of course that we experience no more power outages and no more loss of groceries.

On a more somber note, the time of your increase seems a bit odd to me. The economy in South Carolina is not as strong as many thought even two months ago. Your customers are struggling. The SC Department of Employment reported in June that our state's May unemployment rate increased from 9.8% to 10% (above the national average). Union County was 16.1% and Cherokee County was 13.3%. I find it very disheartening that these kind of conditions were not considered in your decision making process.

Unfortunately we, the consumers, do not have a choice. We are stuck with Duke Energy. You may have legitimate reasons for raising rates but until service improved and outages decrease it is hard for me to understand the benefit associated with your proposed rate increase.

I am happy to discuss if appropriate.

Thank You,

J. Timothy Camp  
864.573.4339

MAIL / DMS

Get the Facts:

Why is Duke Energy asking to increase electric rates?



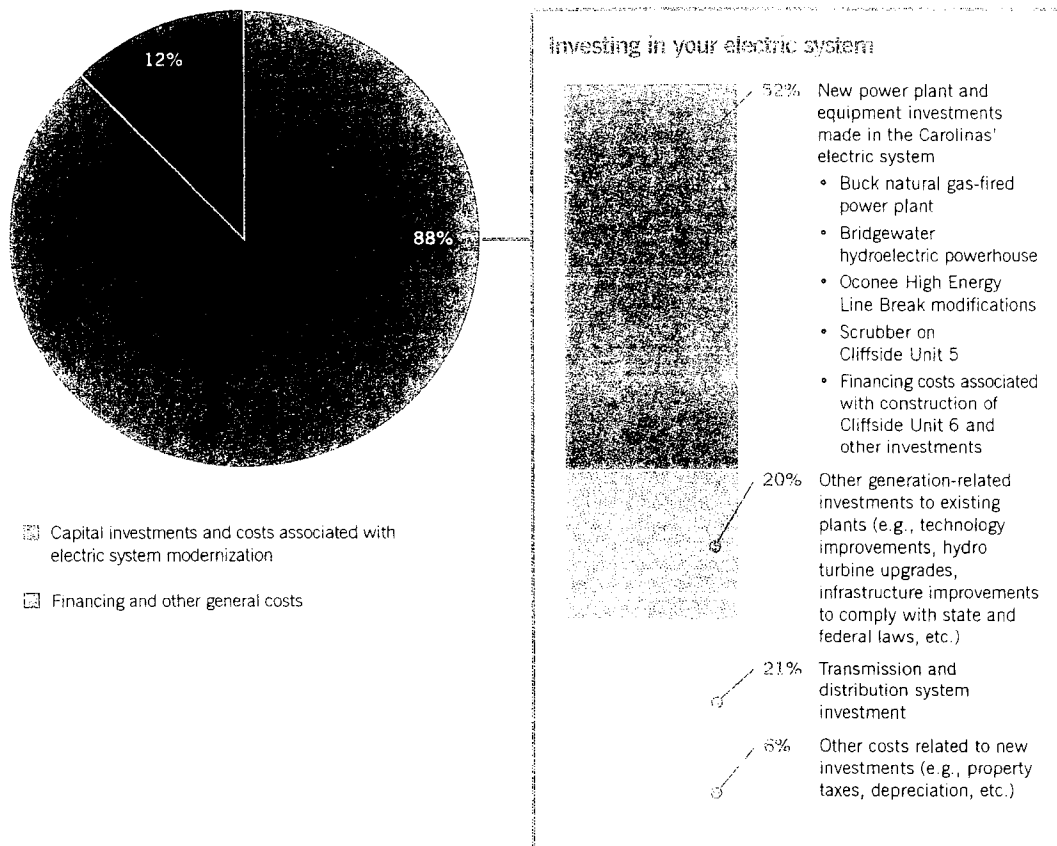
Duke Energy Carolinas has asked the Public Service Commission of South Carolina (PSCSC) for an approximately 15 percent average increase to electric rates. If approved, new rates would likely go into effect February 2012.

#### What does the rate increase provide?

No one likes rate increases. But they're necessary to ensure the availability of affordable, reliable and clean electricity today, and for decades to come.

Nearly 90 percent of the rate increase would allow Duke Energy Carolinas to begin recovering \$6.5 billion in investments made to modernize our electric system and comply with state and federal emissions regulations.

#### South Carolina Rate Case Drivers



Major projects include construction of a new natural gas-fired power plant, environmental emissions equipment, financing costs associated with large capital investments including the new state-of-the art unit at the Cliffsides coal plant, and upgrades to the system of poles, wires and equipment that delivers power to homes and businesses.

The remaining amount covers financing and other general costs.

As work continues to modernize the system, Duke Energy Carolinas has been aggressively managing customer costs. Last year, our power plants set records for operational efficiency, while the company held operations and maintenance costs essentially flat.

**Duke Energy South Carolina**  
325 W. McBee Ave.  
Greenville, SC 29601

[www.duke-energy.com](http://www.duke-energy.com)

### How does this impact me?

This table shows the average impact of the proposed changes for each customer class.

The specific increase or decrease for individual customers will vary, depending on the rate they pay and other factors.

This fall, when rates are adjusted to reflect fuel costs, a typical residential customer who uses 1,000 kilowatt-hours per month of electricity would pay approximately \$99. If the company's rate increase is approved, that bill will increase by approximately \$15.

Customer Class	Average Rate Increase (percentage)
Residential	17 percent
Commercial	11 percent
Industrial	13 percent
Commercial / Industrial (Time of Use)	14 percent
Lighting	14 percent

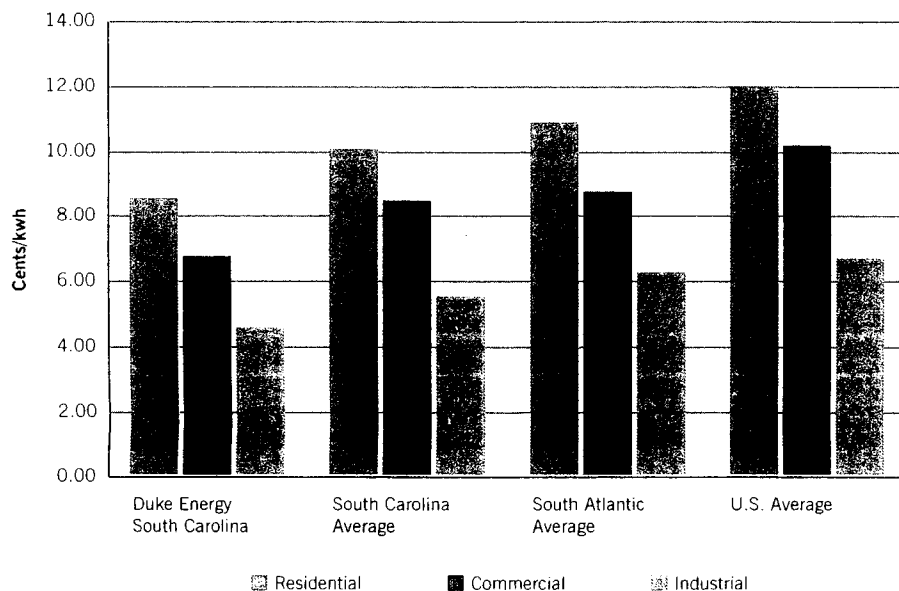
### Who sets the rates customers pay for electricity?

Duke Energy is obligated by state law to serve every customer in its service area with reliable electricity at rates approved by the PSCSC. In exchange, the company is allowed the opportunity to earn a fair return for investors who bear the financial risk of capital investment.

### How do Duke Energy Carolinas' rates compare with other utilities?

Today, Duke Energy's rates in South Carolina are 34 percent below the national average and 28 percent below the Southeast U.S. average.

### Current Average Electric Rates



Data from the Edison Electric Institute.

If the rate increase is approved, the company's rates would remain below the national average and very competitive in the Southeast region.

### How can I control and manage my energy costs?

We recognize that you want to make the best use of every dollar you spend on energy. That's why Duke Energy Carolinas has ramped up efforts to help you understand steps to lower your energy bill. Visit [www.duke-energy.com/youutility](http://www.duke-energy.com/youutility) to get started.

**Duke Energy South Carolina**  
325 W. McBee Ave.  
Greenville, SC 29601

[www.duke-energy.com](http://www.duke-energy.com)